

PLAN 2010

Our Vision for Alabama

INTRODUCTION

*When I first ran for governor, we promised to make fundamental changes in the way Montgomery operates. If you look at where we were four short years ago and where we are today, there is little doubt that our promise is being fulfilled. **We have created a new day in Alabama.***

I am proud to say that we have the strongest economy in the history of our state. Hundreds of national and international companies have planted roots here, and many existing businesses have expanded, creating the lowest unemployment rate in Alabama's history. We have made more reforms to education than any administration in my lifetime, and the classroom investments we made are working to prepare our children to compete in this 21st century economy. I am most proud to say that our administration has operated ethically and efficiently for the taxpayers. We are changing the way Montgomery thinks, and we are fundamentally changing the way it operates.

While we have been able to bring more reform to Alabama than any administration in history, there are some issues that we were not able to get through the Legislature. Unfortunately, some state legislators are still controlled by the special interests that have kept Alabama from realizing its full potential for so long. That is why we must elect legislators who will serve your interests, not the liberal special interests in Montgomery.

*When I campaigned across the state in 2002, I could tell by the looks on people's faces that some had doubts about my plan for change. When I said that we would build an economy in Alabama that would lead the nation, some chuckled under their breath. When I said that we would begin to build a world-class education system, some scoffed. When I said that we would root out corruption and replace it with accountability, some wondered why we would be different than so many administrations before us. **Well, we accomplished all of those goals and more.***

*Now, I am presenting to you my vision for the next four years. It is an ambitious agenda to keep Alabama moving forward in a way that underscores our cherished values. My vision is bold, but it is achievable. And it can be accomplished **without any new taxes**. In fact, one of the clear differences in this campaign and others is that, under my plan, **families get tax cuts**.*

***By 2010**, we will build on the foundation of the past four years and create an Alabama where our children will **always** have the opportunity to thrive and succeed.*

*With your help, **we will do it.***



ALABAMA 2010
Our Vision

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PROMISES MADE, PROMISES KEPT

In 2002, we laid out a vision for a better Alabama and a plan to get us there. In that plan, we made promises regarding a number of issues in our state. I am proud to report that we are keeping those promises.

EDUCATION

PROMISE MADE...

In 2002, we promised to lay the foundation for a world-class education system.

PROMISE KEPT...

Alabama's education system has seen more reforms in this administration than any in recent history.

Since taking office, we have increased education funding from \$4 billion a year to \$6 billion a year, and we are putting money where it counts—in the classroom. However, powerful special interest groups and the legislators they control have often stood in the way of our students' progress. These individuals have fought our efforts to make the sweeping changes that will provide our children the opportunity they deserve.

Despite these forces, we have begun changing the face of education in Alabama. By fully funding the nationally-renowned Alabama Reading Initiative in grades K-3, children's reading scores are soaring throughout the state. We expanded the Alabama Math, Science, and Technology Initiative, and now we are seeing math and science scores significantly improving in AMSTI schools.

Perhaps one of the reforms that I am most excited about is our new distance learning program named ACCESS (Alabama Connecting Classrooms, Educators, and Students Statewide). This initiative utilizes the Internet and videoconferencing technology to give students across the state, especially in the rural and underserved school districts, opportunities they have never had in the past. ACCESS allows students to take advanced diploma courses, foreign language courses, advanced placement (AP) courses, and electives that are not currently offered by their schools.

In addition to putting record amounts of money into the classroom, we are also supporting our dedicated educators at record levels. During our administration, teacher pay has been increased by an impressive 14%, and we will continue to make sure that we have the ability to attract and retain the best and brightest educators to teach our students.

Never before has Alabama been so close to offering our children the **world-class education** they deserve. With four more years, we will continue to make the reforms and the investments that are preparing our children to compete in today's global economy.

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ETHICS

PROMISE MADE ...

In 2002, we promised to restore honesty and integrity to Alabama's state government.

PROMISE KEPT...

Through the past four years, our administration has operated in an ethical manner that Alabamians deserve. We recruited a world-class cabinet that came to Montgomery to serve Alabamians—not themselves and not their friends. Every one of them has signed the same **strict Code of Ethics** that I have signed. I have posted every dime spent out of the Governor's Contingency Fund on the Internet for anyone to see. Unlike previous administrations, we have **ended the abuses of no-bid contracts**. We also put an end to the often corrupt practice of pass-through pork that allowed legislators to take taxpayer money and secretly spend it on hand-picked projects that often ended up enriching their cronies or family members.

This unprecedented transparency is working. **In the most recent report by the Examiners of Public Accounts, the Governor's Office received a perfect audit.** This is the **first time in more than 30 years** that a Governor's Office had no findings against it. In fact, the audit of the previous administration ran more than 80 pages and listed \$483,935 spent by the Governor's Office for which state auditors were unable to determine a public purpose.

Despite the fact that we have proven that transparency works, the legislative leadership has blocked many of the reforms that we have proposed. These reforms would have taken major strides toward restoring trust in our state government.

The corrupt practices and personalities of Alabama's past have left many Alabamians cynical and distrustful of state government—and rightly so. But our administration today is nothing like the administration of four years ago. Today, I believe we are running the **most open, honest, and accountable administration in Alabama's history**. With four more years, we can institutionalize the reforms we have made and ensure that Alabama will never have to bear the burden of government corruption again.

ECONOMY

PROMISE MADE ...

In 2002, we promised to put Alabama's economy **on the right track**.

PROMISE KEPT...

Today, Alabama's economy is better than it has ever been. We have **historically low unemployment** due to the more than **100,000 jobs** that have been created during our administration. Our existing

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Alabama industries are not only thriving—they are expanding. National and international companies have also made Alabama a destination state, and they are bringing good, high-paying jobs with them.

This success didn't *just* happen—our administration and dedicated people across this state have ***made it happen***. We changed the economic model this state had followed in years past and put in new leadership at the Alabama Development Office (ADO). **Now, ADO has been rated best in the nation. After we totally restructured our workforce training program, our Office of Workforce Development was also rated #1 in the nation.**

When we changed the model, Alabama began to explode with growth. Alabama has now been named “**State of the Year**” an unprecedented **four years in a row** for having the best economy in the Southeast. Recently, we also were honored for being the **best state in the nation when it comes to job creation**. This type of success was made possible by our workers, whose work ethic has earned Alabama an international reputation, by local economic developers, and by our dedicated economic development team.

We have proven to ourselves, to the nation, and now to the world that Alabamians can not only compete, we can win.

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PLAN 2010: Our Vision for Alabama

The following pages outline my comprehensive plan for the next four years. The plan builds upon the successes of my first term and introduces a number of new proposals that will allow us to continue our progress. As I previously stated, my vision is bold, but it can be accomplished without any new taxes. In fact, **this plan allows us to invest in our future, provide tax relief to Alabama's working families, and put a significant amount of money into a savings account** to protect against a downturn in the economy.

However, to be successful, we must **continue the conservative budgeting principles** that our administration has employed over the last four years. In times of economic boom, the state budget swells because people have good jobs and are reinvesting their hard-earned money back into the economy. Consequently, the state's revenues increase, and we end the fiscal year with an unexpended balance or surplus, which is available to spend in the next year's budget. Unfortunately, some politically-driven elected officials want to spend all of this extra money – which is one-time money – on recurring expenses. Regrettably, the surplus disappears in leaner times, and the state must cut the funding of the very programs that are transforming our state. This process of funding cuts is called proration.

During the past 30 years, proration has been declared 10 times. Most of these massive cutbacks could have been avoided if the elected officials had not overextended our state budget. Make no mistake about it, when proration happens, our children lose.

This plan is based on conservative budget estimates that are fiscally responsible and will not require additional revenue sources. While – on average – our revenues have grown at an unprecedented rate of nearly 10% a year over the last three years, we recognize that this extraordinary growth will not last forever. This plan assumes revenue growth of 4% a year for the next four years, which is well below the average growth of the last several years and below the average growth of the last fifteen years.

Using these conservative estimates, we are able to fully fund all of the programs outlined in this plan, cut taxes, grow our savings account – which is estimated to be almost \$700 million in Fiscal Year 2007 – cover other anticipated cost increases, and still have money left over.

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Our Priority:

CREATE A WORLD-CLASS EDUCATION SYSTEM

Alabama has experienced more success in the past four years than any time in our recent history. Our economy is rapidly expanding, our quality of life is rising like never before, and our education system has never been stronger. In order to ensure that our children will be able to compete in this global economy, it is imperative that we continue building a strong education system that has one mission—giving our children the tools they need to succeed.

During my first term, I am proud to have begun that process. By increasing the Education Trust Fund budget from \$4 billion to over \$6 billion, we have invested more money into education than any administration in Alabama's history. Nationally renowned programs like the Alabama Reading Initiative and the Alabama Math, Science, and Technology Initiative are revolutionizing the way our children learn. ACCESS, our distance learning program, is already connecting students from all across the state to the quality teachers and courses they deserve. Now, we are seeing the results. Just two years ago, around seven out of 10 Alabama schools *failed* to meet their adequate yearly progress goals under the *No Child Left Behind Act*. **This year, almost nine out of 10 succeeded in meeting 100 percent of their progress goals!**

In the past four years, we have laid the groundwork for success in education. Now it is time to make sure that our children **will be able to take advantage of every opportunity that Alabama's bright future will offer them.**

Our Goal:

By 2010, our education system will be able to prepare all Alabama students for the challenges of a new global economy.

Our Plan:

- **Invest in a bold and aggressive School Construction Program**
- **Expand the nationally renowned Alabama Reading Initiative and Alabama Math, Science, and Technology Initiative**
- **Install an ACCESS Distance Learning Lab in every high school to provide better opportunities for all Alabama students**
- **Expand our Advanced Placement Initiative to provide a rigorous curriculum that prepares our students for college and the workforce**
- **Reward high-achieving schools with monetary incentives**
- **Raise our graduation rate by focusing on at-risk students**
- **Raise teacher pay and invest in a program that rewards results**
- **Protect our students and teachers with a School Discipline Program**
- **Provide our hard-working teachers with opportunities for advancement**
- **Continue to support our community colleges and universities**

CREATE A WORLD-CLASS EDUCATION SYSTEM

SAFE AND SUCCESSFUL SCHOOLS

School Construction Program

Many school districts across this state are still operating with buildings built in the early part of the last century that have cooling and heating systems designed 50 or 60 years ago and electrical infrastructure that has long passed its prime. Some of these schools are not just inefficient and inconvenient, they are dangerous.

Parents should never have to worry about their children's safety when they drop them off at school. That is why I proposed a \$500 million school safety and improvement plan during the last legislative session. Unfortunately, the leadership in the Legislature did not place school improvement as a top priority and blocked the proposal.

We must fight for these real needs that touch every school district in the state.

Next year, we will propose a bold and aggressive school construction program that will provide every school in the state with additional resources for safety improvements, new construction, and expansion of technology.

The proposal will **divide at least \$500 million among public K-12 systems, two-year colleges, and four-year universities.**

The funds will come from a bond issue, and funding levels for each school system will be set by a formula so there is no hint of politics involved in the distribution of the money. Each system will receive a minimum allocation and additional allocations will be based upon a system's student population.

PUTTING MONEY IN THE CLASSROOM

Expand the Alabama Reading Initiative (ARI)

The Alabama Reading Initiative (ARI) has been heralded as a premier reading program in the nation. That is because it uses small group settings and proven teaching techniques to help children learn to love reading.

Even though ARI has not yet been fully implemented, it is already showing great results. This year, students in grades K-3 scored **14% better in reading** than they did just two years ago. Because of these successes, we have fulfilled our goal of putting ARI in every K-3 school in the state by this fall. That's a total of **902 ARI schools, 29,508 teachers trained, and 274,215 students served.**

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One of the best examples of how ARI transforms schools is Calcedeaver Elementary School in Mobile County. About 95% of the students at Calcedeaver live in poverty. Some people made all the excuses in the world for them, but we knew that they were as bright as any students in the state. Just a few years ago, they were among the 10 worst schools in the state in reading. We put ARI in Calcedeaver in 2003, and now, just three years later, they rank **#4 in the state in reading scores, right behind a Mountain Brook school and two magnet schools.**

While ARI has already proven itself in elementary schools across the state, there is a world of opportunities for expansion into the higher grades.

It is time that we give all of our children the advantages of the Alabama Reading Initiative.

During the next four years, we will expand the Alabama Reading Initiative so every Alabama student receives the benefit of this proven methodology.

In grades K-3, ARI provides a solid reading foundation for all students. But **students cannot simply learn to read; they must read to learn.** Therefore, to protect the investment we have already made in our elementary schools, I will propose expanding ARI into our middle schools and high schools.

In the upper grades, ARI will ensure that all students are successful in reading comprehension, with a particular focus on intervening with students who need it most. Reading is the basis for all learning—you cannot teach a child social studies, science, or even math without a solid foundation in reading. It is imperative that we ensure that all of our students can read and comprehend what they are reading so they can take advantage of the high-paying jobs that are a hallmark of our new economy.

Expand the Alabama Math, Science, and Technology Initiative (AMSTI)

Math and science are becoming increasingly important in today's global economy. Just a few years ago, I attended a National Governors' Association Conference at which Microsoft founder Bill Gates told us that one university in China would graduate more engineers than all of the universities in America combined. In order to keep up with the rest of the world, we have no choice but to focus like never before on math and science.

That is why I have made the Alabama Math, Science, and Technology Initiative (AMSTI) such a priority. This program offers a hands-on approach to learning that makes math and science come alive.

A year and a half ago, I visited an elementary school in Mobile that had recently implemented AMSTI. In one of the classes, the students were studying electrical circuits. Instead of simply looking at the grainy diagrams that we used to see in our textbooks, they used batteries, wire, and bulbs to test how circuits worked. Some of the more curious students even found out that if you stack enough batteries together, the bulb will blow. These real life experiments allow students to develop learning skills that are almost impossible to develop through pure lecture or textbook lessons. AMSTI students truly understand what they are learning, and that is why this program has been improving test scores across the state.

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Last year we made the first major investment of \$15 million and doubled the number of AMSTI Schools in the state. This year we invested \$22 million, and by the end of this year, 320 schools and more than 7,000 teachers will be trained in this new method.

These investments are already showing results. Last year, new AMSTI schools scored up to **13% higher in science and math** than schools without the program. These types of increases are occurring around the state, and this is just the beginning. There is no doubt that AMSTI will better prepare our children for the technologically advanced jobs of tomorrow.

It is time that we fully implement this proven program.

During the next four years, we will expand AMSTI to every school in the state, revolutionizing our students' math and science education and preparing them for the future.

A skilled workforce with a strong background in math and science is a critical piece of our economic strategy, and we must build this foundation in our schools.

Expand Distance Learning

As I have already said, one of the initiatives I think holds the most promise for Alabama's underserved students is our ACCESS Distance Learning program (Alabama Connecting Classrooms, Educators, and Students Statewide). This program utilizes the Internet and videoconferencing technology to expand students' opportunities, especially in rural and underserved school districts.

Many students throughout Alabama do not have the access to many advanced courses that other, more affluent schools districts do. For instance, Mountain Brook High School offers 20 advanced placement courses. Clay County High School, where my family has gone to school for four generations, **offers only one AP course**. The other high school in my county **doesn't even offer one**, and there are many schools just like them throughout the rural areas of the state.

That is why ACCESS is so important. It gives children in these school districts the same opportunities for advancement that other students in the state are offered.

A few months ago, I visited Bob Jones High School, an ACCESS school in Madison. Students in one classroom were taking a Latin class by videoconference. The teacher was at Sheffield High School in Colbert County and was teaching her class in Sheffield, the class in Madison, and another class in rural Mobile County. **One teacher was teaching three different classrooms in three different regions of the state all at the same time.** Students were able to ask the teacher questions, work on assignments, and even interact with students at the other schools through this state-of-the-art videoconferencing technology.

These students would not have had the chance to take that Latin class without the ACCESS program, and Latin is just one example. This technology allows a wide array of classes to be offered—from Physics to Personal Finance to Mandarin Chinese.

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It is imperative that we give every school in Alabama the opportunity to utilize this program.

During the next four years, we will ensure that there is an ACCESS Distance Learning Lab in every Alabama high school so all of our students will have the opportunity to take the advanced courses they need to succeed.

This means that every high school student in the state, regardless of geography, will have expanded access to more than 50 different classes, including advanced diploma, advanced placement, foreign language, and new elective courses that will give them the competitive edge they need to succeed in the new global economy.

Teachers will also be able to use the technology to receive professional development without having to leave their school.

This program will offer more opportunities to more students and teachers than any educational reform in Alabama's recent history.

Advanced Placement Courses in Every High School

Of all of the courses high school students can take in Alabama, none prepares them for college any better than advanced placement (AP) courses. These courses increase the rigor of our curriculum and require our high school students to utilize the same higher level learning skills that they will use in college.

In fact, studies have shown that students who take an AP course have a **15% better chance** of graduating college than those who do not take an AP course.

The problem is that many of our schools in underserved districts don't have the resources to offer many AP courses. However, as noted earlier, we are giving many of these schools opportunities to offer AP courses through our ACCESS Distance Learning program, and every high school in the state will offer advanced classes through ACCESS by 2010.

We have already invested \$1 million into an AP expansion program for the 2006-07 school year. In its first year, this initiative will provide grants for 250 teachers to attend AP workshops and institutes. It will also provide instructional materials for 125 *new* AP courses and 125 *existing* AP courses as well the \$82 in testing fees for students taking an AP exam who are not eligible for the federal AP fee program.

We are off to a great start, but we must do more.

During the next four years, every high school will offer an AP course in English, math, science, and social studies.

With the expansion of our AP Initiative and the connectivity provided through our ACCESS Distance Learning program, the state will provide every high school student the opportunity to take an AP course in the four core subject areas and to take the AP exams that provide the opportunity for college credit.

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By offering these rigorous, high quality courses, we will provide our college-bound students a head start on their college work and increase their chances of success.

School Rewards & Incentives

We have some outstanding schools in Alabama. In fact, Jefferson County International Baccalaureate in Irondale was named the “**Best School in America**” by *Newsweek Magazine*. There are a number of schools in Alabama that can compete with any in America.

Unfortunately, there are also some schools in the state that have significant challenges. Many of our rural and inner-city school systems have real systemic problems.

We must support all of our schools in their push to increase student achievement and reward those schools that make exceptional gains. Our high-quality teachers and principals should be rewarded for rising to meet the challenge in these struggling schools.

That is why we are already providing \$2.4 million in rewards for schools that have raised test scores and proven their dedication to student improvement. The recognized schools have the freedom to invest these rewards in the areas they choose, such as **teacher bonuses, professional development, new equipment and technology, or even school repair**. Similar programs across the country have proven to be effective, and our students and teachers deserve no less. For example, North Carolina spent over \$90 million in 2005-06 on rewards and incentives. As their program has been implemented over the last nine years, they have increased the number of schools achieving or exceeding expected performance standards and decreased the number of schools classified as low-performing.

Providing tangible rewards to schools that produce strong gains in student achievement will help revolutionize underperforming schools across the state.

Over the next four years, we will provide \$50 million in monetary incentives to schools that demonstrate their commitment to improving student achievement.

GRADUATION PLAN FOR ALABAMA (GPA)

In order to maintain our economic momentum and offer our students a better quality of life, we must ensure our children are properly prepared to take advantage of the high paying, high-tech jobs that are already flowing into every region of the state.

These jobs have already helped put thousands of Alabamians to work and contributed to our **historically low unemployment rate**. Our success, however, has created a new challenge. With a workforce that is virtually at full employment, it is imperative that those people entering the job market for the first time are educated and trained for the jobs of the 21st Century economy.

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We only have one chance to prepare our students for success. Without a high school diploma, students will find it extremely difficult to achieve their full potential. The first and most important step in preparing our students is to do everything in our power to help them graduate from high school.

Currently, the Governor's High Hopes program provides remediation for those students who have failed one or more sections of the graduation exam, but we must do more.

During the next four years, we will raise our high school graduation rate with new and focused efforts to help students earn a diploma.

We will place an **At-Risk Advisor** in the 200 Alabama high schools with the highest dropout rates. **This advisor's only job will be to help these struggling students graduate.** These advisers will help troubled students understand the importance of earning their high school diploma by developing a graduation plan for each at-risk student, evaluating their progress twice a month, and making home visits to discuss students' progress with their parents. They will also work with community and faith-based organizations to ensure that every student has a solid support structure.

It is also of paramount importance that we couple our At-Risk Advisor program with after-school programs for remediation, tutoring, and mentoring students. In order to help these students make the transition from middle school to high school and beyond, we must identify them early. With this in mind, **I will propose increasing funding for High Hopes and expanding the program to focus on students in grades 7 through 12 that are identified as at risk for dropping out of school.**

We will also strengthen policies that give students a reason to stay in school. Under current Alabama law, **those students who choose to drop out of school lose their driver's license until they are 19 years old** or have satisfied certain requirements. We will ensure that this law is enforced, and we will tighten any loopholes that exist.

We must help students understand that a high school diploma is their ticket to a successful, productive life and help them to achieve their potential.

GIVING TEACHERS THE SUPPORT THEY DESERVE

Raise Teacher Pay and Invest in a Program that Rewards Results

Alabama is blessed with some of the best educators in the nation. Most of them are truly dedicated to seeing their students succeed both inside and outside of the classroom.

During our administration, teacher pay has increased **more than 14%** for all of our state's teachers because their job is one of the most important in the state. We will continue to raise teacher pay in a responsible manner as long as I am governor.

In addition to continuing our record of raising all teachers' pay, we must also begin to invest in those teachers who produce results. Many teachers in this state go above and beyond the call of duty every day

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to help their students achieve their fullest potential. They stay after school with struggling students, take extra professional development classes to learn new teaching methods, and invest themselves fully into our students' lives.

When I go into schools, these teachers are not difficult to spot. Their students are always interested, always engaged, and always achieve a higher level of success. It is time that we begin to reward these teachers who demand excellence from themselves and produce excellence in their students.

We will reward our most effective teachers by investing in incentive pay for educators that demand and achieve excellence in the classroom.

Protect our Teachers and Students

All parents want a safe learning environment for their children.

All parents also want teachers who are able to focus on teaching their children without spending time with disciplinary problems. One of the most challenging aspects of the teaching profession is dealing with problem students. Unfortunately, all too often, teachers are faced with unruly students that can be difficult to control.

That is why we have provided teachers with specialized professional development that has helped them learn how to better deal with problem students. In order to identify areas of need, we also track discipline problems on a state level. We have provided our teachers with a support structure from the State Department of Education all the way down to the local principals.

Many times, though, this structure is not enough. We must continue to be tough on those students who seek to ruin others' opportunity to learn and do everything we can to ensure that no teacher is ever put in a potentially dangerous situation.

We will allow for the suspension of driving privileges for consistently disruptive students in order to deter potentially dangerous problems in the classroom.

A driver's license is a privilege, and any student that consistently disrupts the classroom environment should have that privilege revoked. That is why I will propose legislation that allows for the **suspension of a disruptive student's license until the problem is corrected**. We will also provide our alternative schools with the support and resources they need to handle those students removed from the classroom so that they are able to correct these discipline problems and set these students on a path that leads to a fulfilling and productive life.

We must also make it completely clear and unambiguous that our teachers control their classrooms. They should be able to do what it takes to maintain order without fear of unnecessary repercussions. Unfortunately, the teaching profession, like others, brings with it some inherent legal risks. Currently, neither the state nor the local boards of education provide teachers with liability insurance to protect them from potential financial damages or loss of reputation that can occur if the teacher is sued over issues related to work. **The state provides this protection to all state employees except teachers.** For far too

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long, our hardworking teachers have been forced to pay for this insurance out of their own pockets. We must ensure that this necessary protection is extended to them.

We will provide educator professional liability insurance to ensure that every teacher is protected from the financial dangers of lawsuits.

Professional Teachers

Our teachers are some of Alabama's greatest assets. We could never even begin to prepare our students to compete in this global economy without the professional teachers who teach our children day-in and day-out. These men and women are not only dedicated to their profession, they are dedicated to the success of our children.

That is why we established the Governor's Commission on Quality Teaching. We asked some of the best teachers from across the state to become a part of this commission to help us define the future of their profession. The Governor's Commission is already proposing innovative programs that will prove to enhance every teacher's opportunity to achieve his or her full potential.

One of the Commission's best recommendations is to provide teachers with an opportunity for advancement. Currently, our teachers do not have a way to progress in their profession. With no real room for professional advancement, it is not surprising that **50% of new teachers leave the profession within five years**. In order to ensure that our teachers are given every opportunity to succeed, we must create a structure – a “professional pathway” – that supports and challenges them.

We will implement a Professional Pathways program to give our teachers more opportunities to advance within their field.

We will **redesign our teacher preparation programs** to reflect the strong reforms we have adopted, such as the Alabama Reading Initiative and the Alabama Math, Science, and Technology Initiative. Our colleges and universities must be held responsible for the teachers they prepare.

We will **create a mentoring program** that will pair new teachers with a trained mentor teacher for the first three years of his or her teaching career. Those new to the profession will no longer be left without support and direction from a proven professional.

We will **provide more opportunities for quality professional development** that focuses on new teaching methods that are proven to raise student achievement.

We will also **provide teachers opportunities for advancement in their field**. Teachers will be able to become specialists, or “Master Teachers,” in their area of expertise and will be eligible for pay raises based on their level of advancement. We must keep our best teachers in the classroom by providing opportunities for greater responsibility and increased rewards.

FOCUSED SUPPORT FOR HIGHER EDUCATION

Focused Mission for the Two-Year College System

Alabama's two-year colleges have played a key role in helping us build a better economy and a better quality of life. Now, with new leadership working to restore the public's trust in our community colleges, we must keep making focused and strategic investments in them in order to continue Alabama's progress.

The community and technical colleges' built-in infrastructure and statewide networks have given us extraordinary opportunities. When we consolidated our workforce development programs, the two-year institutions became the conduit for their success.

Today, the Alabama Industrial Development Training department (AIDT) has partnered with community and technical colleges to prepare more than **100,000 workers** for new jobs that have come into the state. This ability to train workers quickly and effectively is one of the reasons **Alabama leads the nation in economic development.**

One example of their effectiveness took place at a Mobile shipyard. A shipbuilding company that received a contract to build the next generation of Navy ships needed a very specialized welder. When they asked us for help, we were able to set up a training center at a local community college in a matter of weeks, and 450 people have been trained as a result. This type of focused training is taking place in communities in every corner of the state. Our new system has allowed us to work with local industry and local workers to bridge the training gap in a rapid and effective manner.

In order to continue our progress, we must keep making focused and strategic investments in our two-year college system.

We will continue to utilize our two-year institutions in preparing our students and workers for the jobs of our growing economy.

Increased Support for our Universities

No state in the nation has achieved greatness without its institutions of higher learning helping to drive the economy. Not only do our universities give our students the tools they need to take advantage of their potential—they also create new jobs and innovative ideas through research.

That is why we have made higher education a top priority by **fully funding every request made by higher education in the most recent budget.** In addition to the tremendous funding we gave higher education this year, we have also made some strategic investments in a number of research facilities around the state. We invested \$12 million in the world-class cancer research center at the University of South Alabama. This center will have a \$1 billion economic impact on the region, will create 700 new jobs, and, most importantly, will give residents of South Alabama a **state of the art healthcare facility in their back yard.**

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We also invested \$10 million in Auburn University's new Research Park. This investment will be used to develop new ideas and new partnerships, both public and private, that will give residents clean, high paying, non-exportable jobs.

The University of Alabama at Birmingham has truly become a shining star for our state. It has attracted some of the world's finest researchers and has gained an international reputation for the quality of its work. This year, I recommended investing \$50 million into biomedical research at UAB. Unfortunately, some politically motivated legislators killed the plan during budget negotiations. This investment could have strengthened Birmingham's position as a center for research excellence and forever transformed the area's economy.

The only way for us to continue to compete in the coming years is to continue creating a knowledge-based economy through our existing research infrastructure.

We will continue to expand investments in our institutions of higher learning, including comprehensive and strategic investments in our research institutions.

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Our Priority:

REFORM STATE GOVERNMENT

Many events of the past year have left little doubt that some parts of state government have long been mired in the corrupt politics of Alabama's past. Indictments and convictions of a number of high-level government officials have highlighted the "good ole boy" political system that has shackled our state for far too long. Finally, these underhanded sweetheart deals are coming to light, and Alabamians are demanding change. **With our administration, change is exactly what they are getting.**

Of all the things we have accomplished during the past four years, I am most proud of the fact that our administration has operated in an open and honest way. We brought together a world-class cabinet and gave them one order—in every instance, do what is right. **Together, we have brought more accountability and reform to Montgomery than any administration in Alabama's history.**

We are leading by example by setting a strict Code of Ethics for all of our cabinet and staff as well as opening up the governor's contingency fund and flight logs for every Alabamian to see. We have also set up a performance-based budgeting process that will allow all Alabamians to see exactly where their tax dollars are going.

In the past four years, we have brought a new level of ethics and accountability to Montgomery, but now, it is time **to clean up all of the relics of our political system's corrupt past.**

Our Goal:

By 2010, Alabama will be recognized as the most open, honest, and accountable state in the nation.

Our Plan:

- **Expand our Performance-Based Budgeting System (SMART Governing) to hold government accountable for every taxpayer dollar**
- **Establish legislator term limits to promote a "citizen legislature"**
- **Ban legislators from holding two state jobs to prevent conflicts of interest**
- **Give the governor a strong veto to ensure a healthy balance of power**
- **Ban PAC to PAC transfers to break the special interest stranglehold on Montgomery**
- **Statutorily ban Pass Through Pork to stop back door dealing and government waste**
- **Fully disclose lobbyist spending to provide greater transparency to the public**

REFORM STATE GOVERNMENT

GOVERNMENT REFORM

SMART Governing

If there is one program that embodies the transparency and accountability our administration has brought to Montgomery, it is SMART Governing. SMART stands for Specific, Measurable, Accountable, Responsive, and Transparent—and we have made it the new mantra for state government.

In the past, there was little logic to the budgeting process. The Legislature simply doled out a little more money to agencies each year, with a little extra for unnecessary pork projects. No one had to ask how agencies spent this money, and no one had to ask if their programs were effective. **These practices reek of the past and have no place in our state government.**

Through SMART Budgeting, we have established a process of developing specific and measurable goals for the improvement of every state agency. We will no longer fund broad budget requests that require little accountability. SMART Budgeting requires each agency to set goals for improvement and specific outcomes that can be measured. If those goals are not met, there is little reason to waste taxpayer dollars on them.

For instance, if the Department of Public Health hypothetically decided it wanted to implement a program to decrease teen pregnancy, it would ask the Legislature to fund that specific program. If legislators review the program the next year and teen pregnancy has increased by 5%, they would probably cut the program or require modifications. If it dropped 5%, the program might be expanded.

Agencies that rise to the challenge of accountability and meet performance targets will be rewarded for their good work by allowing them to cut through bureaucratic restraints.

This type of performance-based budgeting is revolutionary in Montgomery. We now have the ability to craft a budget based on results and not just politics.

Every agency in state government now sets priorities, goals, and objectives and posts their successes and their failures on the Internet for all to see (<http://www.smart.alabama.gov/>). For the first time, **anyone can see where every penny in every state program is going.**

We have revolutionized the way we budget, and now we must begin to manage our government in the same strategic manner.

We will implement a strategic management program to ensure that all state agencies are coordinating their efforts to efficiently and effectively meet the statewide goals set by the Governor.

Right now, many state agencies are operating as “silos,” with little cooperation or coordination with other agencies in state government. This approach is inefficient and ineffective, leading to duplication of

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services and other wasteful practices. We will set up a process to help state agencies share information and cooperate so that state government can move forward in our goal of improving the lives of our citizens. The SMART Governing Office will act as a master planner for the state by making strategic decisions about core business resources like office space, information technology, vehicles, and human resources. This type of management is a major ingredient in our efforts to make government more efficient and accountable.

SMART Governing will set the tone for transparency and accountability in government that taxpayers have been demanding for years. **This is our administration's boldest step yet in building trust in Montgomery.**

Legislator Term Limits

When I first ran for Congress, I told the people of Alabama that I would serve only three terms if elected. I was fortunate enough to earn the voters' trust and represent the Third Congressional District in Washington for six years. I lived up to my self-imposed term limit because I believe that public service should be just that – service – not a lifetime job. There are numerous legislators who have served in Montgomery for many years and have committed themselves to making Alabama a better place. I applaud their service and respect their dedication to the state. I simply have a different philosophy when it comes to the amount of time one should spend in Montgomery.

For a variety of reasons, I believe that Alabama is better served by a continuous flow of fresh blood into the State House. Term limits will bring new perspectives and will allow legislators to focus on serving their constituents instead of constantly focusing on reelection.

The prospect of shorter political careers will also change the types of people who choose to seek public office, **encouraging participation by citizens who are not professional politicians.** Making the Legislature closer to the private sector also familiarizes legislators with the complex consequences of laws and regulations. Overall, a state Legislature composed of average citizens is a Legislature that looks more like Alabama and less like a class of ambitious politicians. **The current political culture can breed corruption, and we must do everything we can to ensure our lawmakers have an incentive to serve the people—not themselves.**

I will once again challenge the Legislature to pass term limits.

This constitutional amendment will establish term limits of twelve years on members of both houses of the Alabama Legislature.

Ban Legislators from Holding Two State Jobs

In light of the previous scandals that have surrounded many areas of state government, it is becoming more and more apparent that legislators should not be allowed to hold another paid state job. Although we have many legislators who serve honorably in both their legislative position and other paid positions with the state, the practice is capable of yielding corrupt results.

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Some elected officials in the past have used their influence within the Legislature to steer money into their own agencies so that they can personally benefit. Many of our legislators would never even dream of taking advantage of Alabama's taxpayers in such a manner, but an elected official with a malicious intent could siphon a great deal of money out of state coffers for his or her own personal gain.

I have asked every state employee to put a placard on their desk. **It says that before you do anything ask yourself, "Does it Build Trust?"** Legislators holding two state jobs simply does not build trust in our state government, and **it must be stopped.**

I will propose legislation to prohibit Alabama's elected state officials from holding another paying job with the state.

Gubernatorial Veto Reform

One of the primary reasons our system of government has proven to be the best in the history of the world is because of a responsible system of checks and balances – a system in which no branch of government becomes too powerful. In most states across the country, and in Washington, one of the tools the executive branch uses to "check" the Legislature is a strong veto – a veto that can only be overridden by the Legislature with a two-thirds majority vote. In Alabama, **the Legislature can override a Governor's veto with a simple majority vote, the same majority vote it takes to pass the legislation in the first place.** As a result, the Governor has a very difficult time stopping pork-barrel spending and other pieces of legislation that may be good for a legislator but bad for the people of Alabama. Alabamians deserve better.

I will once again ask the Legislature to pass a constitutional amendment that strengthens the executive veto by requiring a vote of two-thirds of the members elected to each house of the Legislature to override the veto.

This amendment will also require the affirmative vote of two-thirds of the members elected to each house to override the governor's *line-item* veto.

Contingency Fund and Flight Logs on Internet

By voluntarily posting a detailed accounting of expenditures from the governor's contingency fund as well as a full listing of all trips we have taken on state-owned aircraft, my administration has provided unprecedented disclosure through a move that breaks the tradition of many administrations.

Past Alabama governors have gone to great lengths to hide such information from public scrutiny and have routinely denied requests made by the media under the state open records law. For instance, official flight logs pertaining to the governor's aircraft have previously contained little, if any, information that would allow the general public to see how it was being used, who was flying on it, and where it was going at any given time. Contingency fund expenditures were handled in a similar, secretive manner.

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I've never understood how past governors could say taxpayers have no business knowing how taxpayer dollars are being spent. State government should be open, accessible, and accountable to the citizens it serves, and voluntarily posting this information on the Internet is a huge step toward achieving that goal.

I will call on the Legislature to pass a bill that will require future governors to follow our practice of posting every flight log and contingency fund expenditure on the Internet for anyone to see.

ETHICS REFORM

Ban PAC to PAC Transfers

In order to break the stranglehold the special interests have on Montgomery, our campaign finance system needs real reform. **That is why I have pushed the Legislature to ban PAC to PAC transfers every year that we have been in office.**

A PAC to PAC transfer occurs when campaign donations are transferred through several Political Action Committees (PACs) in order to hide the true source of the money. This practice is unfair to both taxpayers and the candidates because neither have any way of knowing the true source of the money. That is why I have pushed the Legislature to ban PAC to PAC transfers for the past several years.

I will once again challenge the Legislature to pass a bill to ban all PAC to PAC transfers.

Ban Pass Through Pork

Far too often, some legislators are able to direct taxpayer money to their families and their cronies through a practice known as "pass through pork." For example, a legislator will appropriate money to a certain state agency. The legislator tells that agency that a certain portion of the money will go to a pet project in his or her district. Some reports have surfaced that link these pet projects to cronies or family members of the legislator.

As one of my first acts as governor, I signed an executive order putting an end to these shady deals. There is no room for this type of corruption anywhere in state government. Unfortunately, the executive order could be rescinded when I leave office, so it is imperative that the Legislature pass a law to stop this corrupt practice forever.

I will once again ask the Legislature to pass a bill to ban "pass through pork" in Alabama forever.

This type of backdoor dealing is a part of Alabama's dark past, and it has no place in an open, honest, and transparent government.

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Lobbyist Ethics Reform

In order to serve the citizens of Alabama, we must first bring full accountability to our system. Today, a lobbyist can spend up to \$250 a day, or \$91,000 a year, on entertaining a legislator and never has to report a dime of it. This practice does nothing but maintain the insider culture that has plagued Montgomery for so long and certainly does not instill trust in our government.

The people of Alabama deserve to know who is influencing their elected officials, and we should demand that legislators pass a law that will ensure full disclosure. It is time to expose every single dime a lobbyist spends on **ANY** public official.

I will once again ask the Legislature to pass a bill that requires lobbyists to disclose every dime they spend on public officials.

This bill will also provide for electronic filing of all expenditures by lobbyists on government officials. These disclosures will be posted on the Internet for the public to see.

Also, under current law, a professional lobbyist who lobbies the executive branch for state grants or contracts is not required to register with the Ethics Commission. This law needs to be changed.

I will also once again ask the legislature to pass a law to require individuals who lobby the executive branch to register with the Ethics Commission.

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Our Priority:

EXPAND ECONOMIC GROWTH

Because Alabama has experienced unprecedented economic growth during our administration, it is easy to forget the economic difficulties we faced just four years ago. When I came into office, Alabama was in its worst economic shape since the Great Depression. The state had a \$675 million budget deficit, and our economy was bleeding jobs. As one of our first acts in office, we found one of the best economic developers in the country who began to focus the world's attention on our greatest strength—Alabama's internationally renowned work ethic. He also placed a new emphasis on helping existing industry in Alabama grow.

Today, our economy is receiving national acclaim for its transformation. **Alabama has been ranked number one in job creation and has won the “State of the Year” award four years in a row by a leading industry publication. We have a historically low unemployment rate, and our economy has created more than 100,000 jobs in the state. In the job market, we have truly turned a net loss into a net gain. In fact, every single county in the state has seen a drop in unemployment due to these jobs. Our administration's new policies have helped Alabama's economy become one of the best in the nation.**

On the economic front, we have accomplished so much, but we will not rest on our successes. Now, it is time for us to let the world know that **if you want to be successful, you better come to Alabama.**

Our Goal:

By 2010, we will cut taxes for Alabama families and create an additional 100,000 new jobs.

Our Plan:

- **Expand tax cuts for middle class families**
- **Give seniors a tax cut on retirement income**
- **Push legislation to abolish annual property reappraisals**
- **Launch a Small Business Initiative to support and increase the number of Alabama entrepreneurs**
- **Establish a state Work Opportunity Tax Credit**
- **Provide employers and individuals with incentives to go back to school for “high growth, high demand, and high paying” skills**
- **Establish a professional Independent Transportation Commission that will govern the Alabama Department of Transportation**
- **Address the needs of rural Alabama by increasing access to healthcare, education, and job opportunities and by protecting the Right to Farm**
- **Invest in research and development by providing incentives to new and existing industries that bring new, stable jobs to Alabama**
- **Establish economic development offices in China and India so Alabamians can take advantage of the export opportunities in these high-growth regions**

EXPAND ECONOMIC GROWTH

EXPANDING TAX CUTS

Tax Cuts for Middle Class

For decades, Alabamians labored under the nation's most unfair and immoral tax system. Worst of all, this unjust system fell most cruelly on the poor. One of our accomplishments that makes me the most proud is the tax cuts we were able to give Alabama's working families during the most recent legislative session.

This year, we enjoyed a \$1 billion surplus in our state budgets because Alabama's hard working men and women created a surge in our economy. After we fully funded every education request and passed budgets for General Fund agencies, money was still left over, so we fought to give some of it back to the people who helped create it. As a result, **we successfully passed the first significant tax cut since the state income tax system began 70 years ago.**

Previously, Alabama began taxing its citizens at \$4,600, and we were the only state in the nation to tax families making less than \$10,000. The bill I signed into law raised the income threshold at which Alabama starts taxing certain families of four from \$4,600 to \$12,500. We increased the tax deduction for children and other dependents from \$300 to \$1,000 for families with incomes under \$20,000 and to \$500 for families with incomes between \$20,000 and \$100,000. The tax cut also raised the standard deduction for a couple from \$4,000 to \$7,500 for taxpayers making under \$20,000 annually.

This tax cut was a huge step in the right direction, but it was too targeted and did not provide the necessary relief to all of Alabama's working class.

To build on the 2006 tax cut, I will propose another income tax cut for all Alabama families with incomes up to \$100,000.

This tax cut will bring the filing threshold for a family of four to \$15,000 and will allow more for personal exemptions, dependent exemptions, and standard deductions.

Like the tax cut I proposed in 2006, this plan will be phased in over a period of five years and will protect our schools from proration by requiring sufficient revenue growth in the Education Trust Fund each year. **This proposal will give a tax cut to more than 90% of Alabama's families.**

At a time when families need it most, the sales tax holiday has allowed them to keep more of their hard-earned dollars. It offered tax relief to Alabama families from the burden of the state's sales tax on items their children need for school. This holiday was a resounding success throughout the state, saving consumers an estimated \$7 million this year. We need to continue this successful tax-free weekend and

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encourage every city and county in Alabama to join us in helping shoppers save money on school supplies.

I will also continue to encourage all cities and counties to sign on to our Sales Tax Holiday.

Helping our Seniors

Alabama's senior citizens have worked their entire lives to build the economy that we are currently enjoying. Everyday, they got up and went to work to provide for their families. Their generation has instilled in us a work ethic that has become famous around the globe, and the work of their hands laid the foundation for our economy that is leading the nation.

That is why we have done everything that we can to ensure they don't have to worry as much about how they are going to pay for their medicines. This year, due to the work of our Department of Senior Services along with a number of agencies across the state, we ranked among the top states in the nation in enrollment into the new Medicare Prescription Drug Plan. In addition, **we also lowered the age at which seniors can take advantage of the state prescription drug program from 60 to 55.**

While these programs have lifted a great burden off of many seniors, we must do more.

As a good first step toward the equitable treatment of all retirement income, I will propose that the first \$10,000 of all currently taxable retirement income will be exempt, no matter its source.

With the prices of medication—both prescription and non-prescription—rising like never before, our citizens are suffering an added burden every time they go to the pharmacy. This burden falls the hardest on our seniors, many of whom are on a fixed income.

We have made prescription medicines more accessible for the seniors who need them most through the expansion of our Senior RX Drug program. Now we must ensure that all Alabamians have better access to the non-prescription medicines they need.

We will also eliminate the sales tax on all over the counter medication.

ABOLISHING ALABAMA'S LAW REQUIRING ANNUAL REAPPRAISALS

Perhaps no other issue in recent years has been more misunderstood or demagogued by some politicians than the issue of annual reappraisals of real property. As governor, I must follow the law—even those I disagree with. No one can “pick and choose” which laws to follow. Alabama law requires real property to be “appraised at its fair and reasonable market value” and that the “listing of property for taxation by the tax assessor must commence on October 1 in every year.” In addition, Section 211 of the Alabama

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Constitution states: “All taxes levied on property in this state shall be assessed in exact proportion to the value of such property.”

For years, however, the law was not followed. That led to a federal court decision in 1971 requiring all property to be assessed equally. The court’s decision was based on the language in state law and our Constitution. Ever since then, the state has gradually moved toward annual reappraisals of real property, as it does for other classes of property: public utility, railroads and airlines, business personal property, motor vehicles and current use properties.

The politicians who claim this decision was done by “executive order” are purposefully misleading the people of Alabama, and they should be ashamed. Those who say that all previous administrations reappraised property every four years are either uninformed or trying to hoodwink the public. And those who allege annual reappraisals are a “backdoor tax increase” or created the budget surplus are saying something that just isn’t true.

What’s even more outrageous is that some of these same politicians who claim to be against annual reappraisals stopped efforts I supported in the Legislature to end annual reappraisals! We wouldn’t have annual appraisals if those who control the Legislature had allowed the issue to come up for a vote.

During the first legislative session of my next administration, I will once again support and promote a bill abolishing Alabama’s annual reappraisal law.

SMALL BUSINESS MEANS BIG BUSINESS IN ALABAMA

Helping Small Businesses Succeed

Small businesses are the backbone of our economy. Our own homegrown entrepreneurs who take risks to begin a business from the ground up have contributed greatly to our economic success.

As the previous owner of a number of small businesses, I understand that owning and operating a business requires a great deal of dedication and patience. Many times, owners do not have the time to research state and federal laws, grant and loan opportunities, or economic development incentives. We need to provide these businesses with the assistance they need to be successful.

We will provide funding for the Small Business Advocacy Office to better serve the needs of small business and existing industry across Alabama.

The Alabama Small Business Advocacy Office will be charged with aiding, counseling, assisting, and protecting the interests of small business concerns in order to preserve free competitive enterprise and maintain a healthy state economy. The office will provide information and assistance to citizens interested in entering into commercial activity. This office will also work cooperatively with the Office of Workforce Development and other state agencies that impact small business and will establish appropriate accountability and performance measures to ensure quality customer service.

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While we currently have the resources in place to help assist small business in Alabama, they are spread throughout a maze of state agencies. Four years ago, our workforce development programs were in a similar situation. We established an Office of Workforce Development as a one stop shop for workforce development. Today, our program is rated the **best in the nation** and has helped us bring thousands of new jobs into the state.

We must also streamline our small business efforts to make it easier for businesses to get the help they need, while making state government more cost-effective and efficient.

We will coordinate our small business programs to ensure small businesses have the opportunities and services they deserve.

One of the first actions of the Small Business Advocacy Office will be to spearhead our efforts to coordinate and streamline all of our small business services that are offered by numerous state agencies.

Small Business Tax Incentives for Health Insurance

The rising cost of health care has put a financial strain on almost every person in America. From the federal government down to the smallest businesses, everyone must deal with the rising costs of health insurance.

Just two years ago, we called a special session of the Legislature to deal with Alabama's public employee health care crisis and made fundamental changes to the system in order to **save an estimated \$300 million**. This was the first major public employee health insurance reform in decades.

It is good for the state and good for families if all Alabamians are covered by quality health insurance. While the state has done an effective job of providing coverage to the less fortunate in Alabama, we must do more to reduce the burden of rising healthcare costs on businesses and individuals.

To encourage Alabama small businesses to provide health insurance coverage for employees, I will propose legislation allowing them to deduct twice the amount they pay for health insurance premiums from their state income taxes.

In order to encourage the employees of these small businesses to participate in their employer's health insurance plans, employees will be allowed to deduct twice the amount they contribute toward their health insurance premiums from their individual income taxes.

Specifically, this legislation will:

- Provide incentives for companies with 25 employees or less, which represents more than 90 percent of businesses in the state.

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- Provide that qualifying employee health insurance premium expenditures incurred by a small business may be deducted at 200% of their actual cost.
- Provide that qualifying employees will be limited to employees with adjusted gross incomes below \$50,000.
- Provide that qualifying employees will be allowed to deduct twice the amount they contribute toward their health insurance premiums.

SUPPORT FOR ALABAMA INDUSTRIES

Expand Incentives to Help Existing Industries Grow

During our administration, hundreds of national and international companies have chosen to make Alabama their home. While these companies are tremendous assets, our existing industries have truly helped bring Alabama to the pinnacle of this economic boom.

Many of these companies are home-grown and have become much more than just a place to work. They are virtually intertwined with the communities in which they are located and serve as a vital part of both the economic and social structure. These companies sponsor local events, give to local charities, and support local sports teams. They are more than just businesses—they are strong and dependable corporate citizens.

When we came into office, the state paid little attention to the needs of these existing businesses. One of our first acts in office was to make sure **existing Alabama businesses have what they need to succeed.**

There are a number of existing industries in Alabama that have used a small amount of incentives to create hundreds of jobs for local workers. We must continue to do everything we can for the same companies that have helped us build the best economy in Alabama's history.

We will expand eligibility for incentives in order to help existing Alabama companies grow their operations.

We will undertake a comprehensive review of our current statutory incentives and propose changes to ensure that all high growth, high demand, and high paying industries are eligible for assistance.

Alabama Work Opportunity Income Tax Credit

Alabama's surging economy has created a world of opportunities for many Alabamians. Workers from almost every section of society are enjoying the fruits of a thriving economy.

Unfortunately, there are still a few segments of our population that have not been able to capitalize on the opportunities that are out there. While we have a number of programs in the state designed to help many of these people get to work, we must have a more focused effort.

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We will establish the Alabama Work Opportunity Income Tax Credit that will provide employers with an incentive to hire people from sectors having a high unemployment rate or special employment needs.

The Alabama credit will be tied to and based upon its federal counterpart. The credit will be a percentage of the qualified wages paid during an employee's first year of employment, based on the number of hours worked.

Targeted groups of employees include qualified recipients under the Temporary Assistance for Needy Families program, food stamp and Supplemental Security Income recipients, veterans, high-risk youth, vocational rehabilitation referrals, and summer youth employees. Employers must obtain certification from a state employment security agency that an employee is a targeted group member.

“Back to School” Tax Credit

Training our workforce is a critical element in sustaining the unparalleled success we have seen in our economic growth over the last several years. That is why I signed an executive order in 2003 that consolidated all state workforce development programs into a single office. Prior to the executive order, seven different state agencies administered more than \$104 million in federal workforce funds for their own programs. We began to see results immediately, and in July of this year, a national publisher of workforce training materials **named the Alabama Office of Workforce Development as the top workforce development agency in the United States.** The award recognized Alabama's leadership in designing an interagency strategic plan and **comprehensive worker credentialing program**, which was launched in August.

The new **Career Readiness Certificate** serves as a common language between employers and job seekers. It is a portable skills credential, assuring employers that a job applicant actually has the basic skills they seek.

It has been reported that by 2010 more than 80% of all jobs will require skill levels beyond those gained in high school. Almost all workers will need training and education at the postsecondary level. What employers need, therefore, are employees who are trainable and who can benefit from the many opportunities afforded them for skill enhancement.

I am proud of what we have accomplished in just four short years. For the first time ever, we have a workforce system in the true meaning of the word, with all of our partner agencies working together. But there is still concern in the private sector about the gap that exists between the skills required in today's workplace and those exhibited by potential and incumbent employees. Many businesses continue to have trouble finding and hiring people who have basic employable skills and who are therefore trainable for specific jobs. That is why we must continue to provide opportunities for Alabamians to get the technical training they need to be successful in today's global economy.

I will propose a “Back to School” Tax Credit that will provide an incentive for adult workers to go back to school to receive skills training in “high growth,

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high demand, and high paying” jobs as identified by the Alabama Office of Workforce Development.

The tax credit will be available to both employees and employers and will be based on the amount invested in the training program by each.

IMPROVING ROADS AND TRANSPORTATION

In the past, the Alabama Department of Transportation (ALDOT) was a political tool used by previous governors to curry favors with legislators. When a governor needed a vote on an issue, legislators were promised asphalt in their districts in return. This type of wheeling and dealing has **stopped in its tracks during my administration.**

The ALDOT is much too important to be playing politics. Our infrastructure is the foundation of our economic development model. If we can move people and goods efficiently, that means fewer headaches for commuters and more jobs for our workers.

That is why we have developed a data-driven model **that places good policy over politics.**

We have proven that it works. We have increased the amount of contracts let from \$584.8 million in 2003 to an estimated \$804 million in 2006 — a 37% increase in road and bridge funding. We must ensure that politics continues to stay out of ALDOT long after we are gone.

We will once again ask the Legislature to establish a professional Independent Transportation Commission that will govern Alabama’s Department of Transportation (ALDOT).

This commission will consist of one member from each of the nine regional districts that make up the ALDOT. Terms of the commission will be staggered to ensure one administration will not have too much influence over the commission. Members of the commission will not be able to serve consecutive terms, will be forbidden from having any personal ties to ALDOT, and will not be lobbyists.

This Independent Transportation Commission will make ALDOT more efficient and effective by taking the backdoor political deals out of ALDOT for good and allowing them to develop long-range, comprehensive strategies that won’t change with each new administration.

FOCUS ON RURAL ALABAMA

Rural Alabama Initiative

Alabama’s booming economy has truly been remarkable. In fact, **every single county** in the state has seen a drop in unemployment.

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The progress has been especially impressive in Alabama’s traditionally impoverished Black Belt region, where every county now has single digit unemployment for the first time since we began keeping records. Much of this success can be attributed to the special focus we have given the region through our Black Belt Action Commission.

I began the Black Belt Action Commission two years ago to address the special needs in the area. The work of this all-volunteer, bi-partisan force has begun to transform the entire region. In just a year’s time, the results were amazing—**1300 new jobs, higher test scores, lower dropout rates, free vision screenings, and more accessible health care**, among many others.

Much of rural Alabama is not entirely different from the Black Belt. The rural regions of the state offer unique challenges and could greatly benefit from access to grants and loans, better jobs, more educational opportunities, and better access to healthcare.

The “action commission” model has worked in the Black Belt, and many regions of the state want to replicate what our Black Belt Commission has done. It is time for all of **rural Alabama to reap the benefits of this proven model.**

We will form a “Rural Alabama Action Commission” that will address the specific needs of the rural areas across our state.

This all-volunteer commission will be made up of seven committees that will address the needs of seven specific rural regions of the state: Northwest Alabama, the Mountain Region (Northeast Alabama), East Alabama, the Wiregrass, Southwest Alabama, the Black Belt, and Central Alabama.

Tax Incentives for Industry in Rural Alabama

Many areas of the state are naturally going to be magnets for economic development. Major interstates, railroads, waterways, and other basic infrastructure are all reasons some metropolitan areas are constantly breaking ground on new economic development projects.

Sometimes it is difficult for companies to see the real advantage to setting up shop in rural Alabama. That is because they simply aren’t aware of the quality of life, work ethic, sense of community and other intangibles that make many of our rural communities the crown jewels of our state.

To encourage job creation in Alabama counties where jobs are needed most, I will propose a Targeted Job Creation Tax Credit.

Under this legislation, businesses that create new jobs in a county identified by the Department of Industrial Relations (DIR) as being within the 25 Alabama counties with the highest annual unemployment rate for the year the job was created will receive an income tax credit equal to \$500 per new job created for three years.

Protect the Right to Farm

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Farming continues to be an important part of Alabama's traditional quality of life and economy. It has played an important role in my life, and I believe that we should work to preserve the family farms that have meant so much to Alabama. Too often, new residential and commercial development results in conflict between longtime farmers and their new neighbors. Growth is important, especially in rural areas, but we must also protect the rights of farmers to lawfully produce their products without constant harassment from those who oppose their way of life.

I will propose “Right to Farm” legislation that protects the right of law-abiding family farms to co-exist with suburban growth.

An established farm owner or operator who obeys current laws and regulations should be able to continue to maintain his or her property without undue interference from other individuals. This law will define family farms and protect farmers from planning ordinances that might result from new annexations, respecting the rights of farmers to continue their lives' work.

Right to farm legislation would discourage frivolous 'public nuisance' lawsuits against law-abiding farmers by requiring losers, including unsuccessful plaintiffs, to pay all legal bills.

NEW PRODUCTS AND NEW CUSTOMERS

Research and Development Tax Credit

One of the most rewarding parts of being governor is having the opportunity to travel across the state to see the incredible research and development that is taking place in many parts of Alabama. In Mobile and Birmingham, we are researching the causes of and possible treatments for cancer. Some of the best agricultural research in the world takes place in Auburn. Researchers at UAB are internationally renowned for their state of the art biomedical research. These research centers can take a small amount of capital, leverage it with public and private funds, and create thousands of high-paying, non-exportable jobs.

Last year, we invested \$50 million into a biotech research institute in Huntsville. The non-profit company was offered a major incentive package to locate in Georgia, but our investment allowed them to stay in their hometown of Huntsville to build a world-class research facility. With our \$50 million investment, they were able to secure \$80 million in private funds to **create 900 direct jobs with an average pay of \$60,000 a year.**

These are exactly the types of jobs that we should be going after in Alabama. The pay is great, the businesses are environmentally friendly, and the jobs won't be exported to another country.

We must do everything we can to help companies who bring knowledge-based jobs to Alabama.

To encourage businesses to increase their investment in research activities and to locate those research activities in Alabama, we will propose legislation to establish a research and development tax credit.

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Under this proposal, corporate taxpayers will be allowed a research credit equal to 20% of the taxpayer's federal research credit attributable to an Alabama location. Qualifying research activities include research and development activities in the experimental or laboratory phase that are undertaken for the purpose of discovering information that is technological in nature and intended to be useful in the development of a new or improved business component.

Expand our Economic Opportunities

One of the reasons our economy has experienced such unprecedented growth is our recent increase in exports.

In 2004, we launched a new initiative called **"Export Alabama,"** which focuses on expanding Alabama businesses' exporting opportunities throughout the world. As a part of this initiative, I have sponsored three different trade missions to countries like China, England, Japan, Chile, Brazil, France, Korea and Israel.

And it's working. Alabama's exports grew from \$8.3 billion in 2003 to \$10.8 billion in 2005. **That is more than 19% in just two years,** a rate that beats the national growth rate. Through their entrepreneurial spirit, Alabama companies have become extremely successful at going after business overseas.

We have also made major improvements in our infrastructure to make it easier for Alabama businesses to export their goods. Last year, we invested \$80 million to build a new container port at the Alabama State Docks in Mobile. In addition to the 1,000 jobs the port will create, this expansion will **open Alabama to both exports and imports from virtually anywhere in the world.**

In order to keep Alabama's economic momentum, we must keep doing everything we can to help open new opportunities to Alabama's businesses.

We will continue to aggressively seek new business opportunities for Alabama companies in every corner of the world.

We have also developed a working relationship with **Troy University** to aid in our efforts to recruit international companies. Two years ago, we opened an economic development office in Heidelberg, Germany at Troy University's Heidelberg campus. This office has helped us build stronger relationships with European business leaders, which is a key first step in winning major industrial projects, and it has helped existing Alabama companies that want to open new markets for their products in Europe. And because Troy already had a campus there, we were able to do it with no additional cost to the state.

This innovative model has helped us to build a stronger economic base by allowing us to better recruit new industries while supporting our existing industry back home. We must expand this program.

We will establish an economic development office in China and India to take advantage of the growing economies of East Asia.

These offices, like the Heidelberg office, will be a partnership with Troy University, **which will greatly reduce the cost to the state and Troy University.**

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Our Priority:

PROTECT ALABAMA

One of the state's most fundamental duties is to protect its people, and we have always made this responsibility a top priority. Having six grandchildren, I can tell you that I am constantly reminded of the potential dangers that threaten our communities.

That is why we have passed some of the **toughest laws in the country for sexual predators**, drastically decreased meth labs in Alabama, and given our state troopers a 21% pay raise in the last four years. We have also trained 60 state troopers to question, arrest, and detain illegal immigrants. In addition to our efforts in protecting our citizens from criminals, we have built **an emergency preparedness model that FEMA Director Dave Paulison called "one of the best in the nation."** In times of crisis, Alabamians can rest assured that the state will be as prepared as any in the country.

Our administration has made great strides in making Alabama a safer place to live, and we will never stop working to protect our citizens.

Our Goal:

By 2010, we will improve the safety of people and property through an aggressive focus on preparedness, enforcement, and rehabilitation.

Our Plan:

- **Implement a Safe Roads Initiative that will increase our State Trooper force and expand penalties for dangerous driving**
- **Crack down on illegal immigration to protect our families and our state**
- **Stand strong during emergencies by training local EMA directors and providing shelters for our seniors**
- **Show our gratitude to our veterans by implementing a Veteran's Benefit Initiative**
- **Ensure that all of our military can vote while they are overseas**
- **Reform our state prison system by increasing efficiency, capacity, and rehabilitation**

PROTECT ALABAMA

STOPPING ILLEGAL IMMIGRATION

As the debate over illegal immigration continues in Congress and across the nation, Alabama has been a leader in addressing this important issue at the state level. By the end of 2006, 60 State Troopers will be certified by the federal Immigration & Customs Enforcement (ICE) agency to perform immigration enforcement throughout Alabama. Alabama's Public Safety Department is one of only three state law enforcement agencies in the nation with this type of certification. Our officers have apprehended more than 200 illegal immigrants through their normal work activities, including routine patrol and working in driver's license bureaus. These are individuals with illegal status wanted for outstanding felony warrants or who conduct a felony in the presence of an officer. Illegal immigrants from six continents have been apprehended, convicted, and deported. I will continue to support this training for Alabama State Troopers, and I will also support efforts to enhance local law enforcement agencies' ability to participate in immigration law enforcement wherever possible.

Ensuring that Alabama tax dollars do not go to support illegal immigrants has been a priority of my administration since day one. We have implemented requirements and systems within the Alabama Department of Public Safety and the Alabama Medicaid Agency to ensure only citizens or authorized aliens are able to receive driver's licenses and Medicaid services. But we must do more.

Immigration reform is a complex issue requiring cooperation between federal and state agencies to ensure its success, but there are other actions the state can take to help alleviate this national problem.

We will propose the following items to ensure that Alabama has the toughest illegal immigration laws on the books.

1. Require government entities in Alabama to verify, through a three-step process, the lawful presence of every adult seeking a government benefit for which citizenship is a requirement. The process includes:
 - Producing a secure photo identification
 - Submitting a sworn affidavit; and
 - Having the application approved through the SAVE (Systematic Alien Verification for Entitlements) program.
2. Require employers to prove that they do not knowingly employ illegal immigrants in order to qualify for economic development grants from the state.
3. Require companies to prove that they do not knowingly employ illegal immigrants before they can do business with any state agency.
4. Require that government entities issue and renew commercial and professional licenses, permits, and similar authorizations only for those lawfully present in the U.S.

STANDING STRONG DURING EMERGENCIES

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Standards for EMA directors

Hurricanes Katrina and Ivan were two of the most powerful storms to ever hit Alabama's coast. While many of our residents suffered through everything from complete destruction in Bayou la Batre to mass power outages in Huntsville, loss of life was minimal in Alabama. Due in large part to the brave actions of our first-responders, Alabama's responses to the disasters were among the best in the nation.

Our Local Emergency Management Agency (EMA) directors were the first line of response to these terrible storms. Many of these men and women have done an incredible job in the face of disasters that have threatened the lives of thousands of Alabamians.

Currently, though, there is no real professional standard for local EMA directors. Anyone, regardless of experience or training could become a local EMA director. We must ensure that each county's EMA director has the professional training they need to protect Alabama's citizens.

During the next four years, every county's EMA director will be required to meet strict standards set by the Alabama Emergency Management Agency.

The state will offer training to help current directors meet the requirements. In a time of crisis, every county should be able to rest easy knowing that they are in capable and competent hands.

Safe Centers for Seniors

Emergencies take a serious toll on all of those involved, but many times, seniors have unique challenges in times of great disaster. During Hurricanes Ivan and Katrina, we realized that these challenges require us to respond in a unique way.

That is why we **set up the nation's first "Safe Center" for seniors**. This facility is a senior center that will be used daily by residents, but in a time of disaster, it will be a place for seniors in the affected areas to regain a sense of normalcy.

The Safe Center is equipped with generator power and extra wall outlets that can be used to operate light medical equipment, such as portable oxygen machines. The center has an area for seniors in the early stages of Alzheimer's or dementia. Each facility will have a satellite telephone to ensure communication after storms and other natural disasters.

The building is designed according to Federal Emergency Management Agency standards. The center is also equipped with food, showers, and laundry equipment in the event that visitors need to stay for an extended amount of time.

Our Safe Centers for seniors has become a model for the rest of the nation.

We will build a minimum of seven Safe Centers for seniors in disaster prone regions across the state to meet their unique needs in case of an emergency.

SAFE ROADS INITIATIVE

One of our top priorities in state government is to protect Alabama citizens on our highways and roads. Due to painful funding cuts in our General Fund and uncompetitive pay, our trooper force was greatly diminished by the end of the previous administration. Since taking office, we have increased funding for the Department of Public Safety by approximately \$30 million and **increased Trooper pay up to 21%** in an effort to reward our hard-working troopers and attract new quality personnel. This has been a difficult process, but we are making great headway.

In addition to putting additional troopers on the roadways, we must also do more to target the dangerous areas and practices on our roads.

We will begin a “Safe Roads Initiative” that will reduce traffic fatalities and make Alabama roads safer for our citizens.

We will strengthen our Trooper Force. By 2010, we will increase our trooper force by 50%, putting a total of 600 troopers on our roadways. More than 32% of deaths on Alabama’s roadways are caused by excessive speed. With increased enforcement, our drivers will slow down and make it to their destination alive.

We will allow all local law enforcement to patrol interstates. Under current law, only certain local law enforcement officials can patrol Alabama interstates. We will propose legislation to ensure that all qualified law enforcement officials can assist our efforts to reduce fatalities on our interstates.

We will create Safe Zones for dangerous roads. We will propose legislation to allow the Alabama Department of Transportation and county commissions to designate dangerous areas as “Safe Zones.” Those who are ticketed for excessive speed in these Safe Zones will have to pay an extra \$100 in addition to their fine.

We will strengthen our DUI laws by adding tougher penalties for drunk drivers.

SUPPORTING THOSE WHO DEFEND US

Veterans Benefit Initiative

We owe all of the freedoms that we enjoy today to our veterans. These men and women put their lives on the line so that we can live productive and successful lives without fear of our enemies.

I have had the opportunity to speak to a number of veterans’ groups over the years, but one of those visits I will not soon forget. A year or so ago, I visited a group of D-Day vets in Birmingham. These veterans were aged, and many were disabled. But when the program began with the Pledge of Allegiance, these

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men lit up with life. Their voices were strong, their backs were straight, and their chests swelled with pride.

I talked to many of these vets afterwards, and they told me about storming the beaches of Normandy and climbing the steep cliffs as German fire rained down, killing many of their friends. If you want to see a picture of pure patriotism, go see a veteran. Their level of sacrifice and loyalty deserves our full and heartfelt support.

That is why I personally called for public hearings when I heard our veteran's nursing homes were not being effectively run. After hearing from many vets and their families, I signed a competitively-bid contract that brought new and better management—and most importantly, better care—to our veterans' nursing homes. **I was also proud to be honored by veterans when I became the only governor in the nation and the first Alabamian to receive the VFW's Medal of Merit and Citation, the group's highest national civilian honor.**

We also began **"Operation Grateful Heart,"** which is a statewide effort to show our appreciation and support for our service members and their families while they are deployed - and to help them make the sometimes difficult transition back to their communities when they return home. Alabamians can be proud our state is again leading the way as the first state in the nation to have such an initiative.

No matter how much we do for our veterans, we can never say thank you enough. We have spent the past four years protecting and supporting our veterans, we must show them how much we appreciate them.

We will implement the "Veterans Benefit Initiative," which will consist of the following items designed to let our vets know how much they mean to Alabama.

- 1. Determine a plan for veterans' long-term care**
- 2. Plan for a new Veterans nursing home**
- 3. Free lifetime hunting and fishing licenses for Disabled Veterans who are legal residents of Alabama**
- 4. Create an Iraq War Veteran Tag and an Afghanistan War Veteran Tag**
- 5. Support the National Cemetery Welcome Center at the American Village in Montevallo**

In addition, I will also oppose proposals to raid the Veterans Assistance Fund, which pays for existing veterans programs including health care services.

Ensure Active Duty Military Can Vote

If there is any group of people who understand the importance of voting, it is the men and women of our armed forces. They risk their lives to ensure that we will always have the right to elect our leaders.

But, many times, the very people who are defending our freedom to hold democratic elections are faced with red tape and hardships at election time. Alabamians who are on active military duty abroad must go through an absentee ballot system that can be extremely difficult to navigate.

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This is a disgrace to our system and must be stopped. Our military personnel deserve the opportunity to vote in every election without a time-consuming bureaucratic system standing in their way

By 2008, every Alabamian on active military duty abroad will have the opportunity to vote electronically over the Internet.

Alabama should be the first state in the union to implement an Internet-based Secure Encryption Paperless Balloting System. This user-friendly system will be completely protected from hackers and will be in place in time for the 2008 election.

REFORM THE STATE'S PRISON SYSTEM

While we have made significant progress, one of our most challenging problems is the state of our corrections system. As a result of financial constraints and years of neglect, our prisons are operating at almost 200% capacity. Many of our facilities are outdated and, oftentimes, one officer has to supervise a prison dorm of 250 to 300 inmates. While our Department of Corrections staff has risen to the challenge, this is an unsustainable situation that must be addressed.

That is why we have just passed the first significant prison reform package in years. Our taskforce on Prison Overcrowding recommended a number of these reforms that will bring our prison system into the 21st Century. Our package is expected to open up 2,200 beds in the prison system and save the taxpayers \$28 million by 2010.

We must do everything we can to keep the people who need to be behind bars safely locked in prison so they will never again be a threat to our society – and we know how to make it happen.

Over the next four years, we will reform our prison system and improve the safety of the public.

Our top priority will be to reduce prison overcrowding. To do this we will reclassify a number of facilities across the state to allow them to house medium security prisoners. We will also continue expanding our community corrections programs into every county in the state.

In addition to reducing overcrowding, we will also make efforts to recruit and retain quality prison guards. In addition to the strong recruitment efforts that we have already put in place, we will ask the Legislature to approve a 10% raise for our Department of Corrections officers to ensure they will be competitive with other state law enforcement agencies.

We will also continue our work to make sure that prisoners are ready to become productive citizens when they leave. Our retraining programs and transition centers have been extremely successful at reducing the amount of people who make their way back into the prison system.

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In order to defray the costs of incarceration, **we will also put more prisoners to work.** We will expand our Correctional Industries program as well as our work-release program for low-risk offenders to ensure that the inmates – and not the taxpayers – pay more of their own way.

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Our Priority:

SECURE OUR QUALITY OF LIFE

In Alabama, we are blessed with a quality of life that is as rich as it is unique. Alabamians have a deep respect and appreciation for our majestic mountains and beaches, clear blue streams, abundant wildlife, and our many other God-given natural resources. Our strong family values and faith in God set us apart from most places in the world. Our personal commitment to helping our friends and neighbors – especially the most vulnerable – makes Alabama one of the most distinctive cultures in America. And our belief that decisions affecting individual Alabamians are best made by those individuals and their families without government getting in the way gives us a strong sense of community.

The job of state government and its employees is to serve the hardworking people of Alabama in a manner that is worthy of their investment and **representative of their values**. I'm proud that we have invested in first-rate programs such as Forever Wild to protect and enhance our natural resources. I believe that our commitment to improve our human services system and promote self-sufficiency through our "Strengthening Families" task force is beginning to pay dividends. And I'm pleased that we were able to strengthen individual rights by **passing the strongest private property rights bill in America as well as legislation that protects our Second Amendment right to defend ourselves**.

I believe that we have made great strides in promoting and protecting the values and quality of life that Alabamians cherish, but we can do more.

Our Goal:

By 2010, we will institute programs to enhance our natural resources, improve the delivery of human services to promote self-sufficiency, protect our individual rights, and stop the expansion of gambling.

Our Plan:

- **Enhance our natural resources with a Coastal Enhancement Fund**
- **Invest in alternative energy to decrease our dependency on foreign energy**
- **Provide incentives for citizens to adopt**
- **Strengthen our families in need by improving the quality and increasing the efficiency of our state services**
- **Protect our private property from government seizure with a constitutional amendment**
- **Stop the expansion of gambling once and for all**
- **Expand faith-based services to further the cooperation of the state and faith communities in caring for our citizens**

SECURE OUR QUALITY OF LIFE

CONSERVATION

Alabama's abundant natural resources stretch from the Tennessee Valley to the Gulf of Mexico. I strongly believe that it is our responsibility to conserve, protect, and enhance these valuable assets in a manner that encourages sustainable economic development and promotes the responsible stewardship of our environment.

Over the past few years, the development of liquefied natural gas (LNG) terminals as well as new oil and gas exploration and production off of our coast has become a hot topic across the country. I recognize that the stability and growth of our economy is dependent on affordable and readily available energy supplies. I absolutely believe that we must continue to explore ways to reduce our dependency on foreign sources of energy and increase our domestic supply. I strongly support the development of alternative energy sources, but I recognize that non-renewable sources of energy, such as coal, oil, and natural gas, will continue to be – at least in the short-term – our primary source of energy. Unlike many other states, Alabama is proud to be a significant contributor to our nation's security and economic wellbeing through its onshore and offshore oil and gas production. You can rest assured that, as long as I'm Governor, the State of Alabama will continue to support a balanced, reasonable, and environmentally sound energy program, including additional oil and gas exploration and the development of LNG terminals, as long as it is fair and equitable to our citizens.

While I support the development of LNG terminals in the Gulf of Mexico and elsewhere, I believe that it is extremely important to proceed with caution as we consider permits for "open loop" deepwater LNG terminals. Most scientists remain concerned about the impact the "open loop" system may have on millions of fish and crustacean eggs and larvae – marine resources that are extremely valuable to the economy of Alabama. That is why I objected to an "open loop" LNG terminal off of the coast of Dauphin Island. **It is my belief that any decision to license or veto a deepwater LNG terminal should be grounded in scientific data, and if a license is granted, the people of Alabama should be compensated in order to enhance our natural resources.**

I also strongly believe that the revenues associated with lease sales and subsequent oil and gas development and production in the Gulf of Mexico, as well as revenues from existing production, should be shared in a fair and equitable way with the coastal states that support leasing and development. That is why I have continuously worked with our Congressional delegation to change federal law to provide revenue sharing with Alabama and other coastal states. For far too long, Alabama has been doing its part to provide our nation with a stable and affordable supply of energy without adequate compensation. Now we must ensure that the businesses utilizing our natural gas resources help us to improve our coast's natural resources.

That is why I propose establishing the Coastal Enhancement Fund.

While I will not ask the Legislature to earmark these monies, I will ask the Legislature to use revenue that is generated through LNG terminal permitting and royalties from new oil and gas production in the Gulf of Mexico to enhance our coastal resources. The fund will be managed by the Alabama Department of

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Conservation and Natural Resources, and the purpose will be to **enhance** our marine resources through programs such as habitat restoration and inshore and offshore artificial reef production.

ALTERNATIVE ENERGY

With gasoline at record prices, the time has come for America to examine the use of alternative fuels as a means to reduce our dependency on foreign energy supplies. Breakthroughs in alternative fuels, especially biofuels such as ethanol and biodiesel, offer great promise in the coming years.

By encouraging investment in biofuels, Alabama will become more energy independent, less polluted, and more efficient. Our economy will also see the benefit, with local farmers profiting from energy dollars instead of out-of-state corporations. Biofuels have the potential to become both an economic boost and an environmental safeguard for our state.

In 2007, I will propose the Alabama Farms and Fuels Act, which will seek to encourage commercial development and private use of alternative fuels.

This legislation will include tax incentives for construction of biofuels infrastructure, biofuels production, sales of biofuels, and purchase of hybrid and flex-fuel vehicles.

Biofuels Production Credit

With the price of agricultural products nearing record lows and petroleum prices approaching record highs, it is clear that there is great opportunity for our farmers and our citizens in the production of biofuels. We will propose a tax credit for biofuels production at plants located in Alabama.

We will also propose additional production tax credits for facilities located in a Favored Geographic Area to encourage economic development in the most economically depressed counties of Alabama.

Renewable Fuel Infrastructure Credit

Currently, even if Alabama citizens want to purchase biofuels, their options are severely limited due to lack of availability at service stations. We will propose tax credits to qualified refueling facilities for the installation or conversion of pumps that dispense biofuels.

Qualifying Fuel Efficient Vehicle Credit

Many vehicle manufacturers are stepping up to the plate with hybrid and flex-fuel vehicles. We will encourage our citizens to take advantage of these fuel-efficient and biofuels-capable vehicles by providing a state sales tax credit on the purchase of hybrid, flexible fuel vehicles (FFV), and compressed natural gas (CNG) vehicles.

Public Sector

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Alabama's public sector also has a unique opportunity to take the lead in the promotion of biofuels. Presently, only the City of Hoover has completed a full-fledged biofuels facility. All Hoover vehicles, including the police fleet, are flex-fuel vehicles and must refuel with biofuels, when available. This facility is open to all public agencies. By early 2007, the State Motor Pool will break ground on a similar facility to promote biofuel use within State Government, and all state agencies based in Montgomery will have immediate access to such a facility. **By 2010, we will require the majority of state vehicles to be flex-fuel vehicles.**

STRENGTHENING ALABAMA'S FAMILIES

Incentives to Adopt

Alabama's foster parents are among our most selfless citizens, as they make tremendous personal and financial sacrifices to provide a better home and a better life for children in crisis.

While there are substantial funds which provide for the special needs of foster children, the state board payments provided directly to foster parents for the daily care of these children is \$8/day and \$14/day, depending on the level of foster services being provided. Due to budget constraints the Department of Human Resources (DHR) has been unable to increase the amount of board payments since 2001.

We will commit to increasing foster care board payments by a minimum of 25% in an effort to better compensate foster parents for the actual costs they incur in providing a stable home to Alabama's foster children.

In Alabama, family is still a sacred and vital part of our cultural fabric. I know that I would not make it through a day without the constant loving support of my family.

Many of us have been blessed throughout our lives with mothers and fathers who have truly loved, cared for, and supported us. Unfortunately, there are some children in Alabama who are not as fortunate. In fact, there are more **than 5,000 children in Alabama's foster care system.**

These children are spending their childhoods bouncing from home to home because there is a shortage of eligible couples who are willing to adopt. Many times, families are concerned about the long-term costs of adoption, such as education.

We must do more to help these children find safe and happy homes.

We will reduce the burden and offer an incentive for families to adopt children who are currently in state custody by providing the children a scholarship to one of our Two-Year Colleges.

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Taking Care of Our Most Vulnerable

In Alabama, 21% of our children live in poverty and 35% of our children live in single-parent households. Although we are seeing progress, we must increase our efforts to address the needs of our families and, especially, our children.

Many families, while hardworking, still rely on state services to make ends meet. However, the system that delivers these services is cumbersome and confusing, leaving many of our families in need feeling helpless. An eligible family might have to deal with as many as ten or more different agencies, with ten different applications, and ten different sets of requirements. This does little to help those families who are in need of our help.

In addition, the cost of running the system is enormous. In the coming year, **Alabama will spend \$398 million from state funds on Medicaid alone.** We must work to lower costs by increasing efficiency and decreasing duplicated services.

In 2004, we set out on a mission to reform the way health and human services are provided in this state. Our goal is to provide services in a way that is accessible, cost-efficient, and helps families in need to reach self-sufficiency. Our **Task Force to Strengthen Alabama Families**, which includes all related agencies, has worked hard to develop a system that does just that.

I will propose establishing a Family Services Center in each of Alabama's 67 counties to increase coordination of state services and assist our families in need.

These centers will be developed by local communities to help families with an assessment of their needs, information on services, case management, and service referral. They will provide a personal, "one stop" service on a local level to Alabama's families.

I will also establish a web-based information system that will provide detailed information on state services and make it easier for families and those assisting them to gain access to those services.

This effort will expand into a more integrated statewide network for health and human services that will provide all of our agencies the information they need to better serve the people of Alabama in a **more cost-efficient, coordinated way.**

Improve Access to Services for Mental Illness and Mental Retardation

President Bush's New Freedom Commission Report on Mental Health (2005) identified "access to services" as a major barrier to prevention and treatment for those with **mental illness**. Ready access is key, not only to personal health, but also to the expensive costs of emergency and intensive care services.

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In the past 3-4 years, the number of available private inpatient psychiatric beds has decreased. At the same time, admissions to public psychiatric facilities have increased significantly. This has resulted in public facilities treating more individuals (typically 150 – 200) than their designed capacity.

We will expand community-based services, such as crisis and in-home treatment for persons with mental illness, which will allow most of these individuals to remain in their homes and communities thus avoiding the more costly inpatient services.

In August 2005, there were approximately 1300 Alabamians with **mental retardation** waiting for community services such as educational services known as day habilitation, residential services such as group homes, and in-home supports. Today there are over 1500 persons still waiting for services in spite of the efforts this year of the Alabama Department of Mental Health and Mental Retardation in expanding services for 450 people. People continue to come forward for assistance at a rate of approximately 40 per month. We estimate that additional 500-1000 persons will seek services.

We will provide additional funding as we seek to reduce the waiting time for individuals with mental retardation to continue to live in and contribute to their community and, in many cases, avoid more restrictive and more costly institutional services.

PRESERVING ALABAMA VALUES

Protecting Private Property

Last August, I signed a law that gives Alabamians the strongest private property rights in the nation. That legislation was necessary because the United States Supreme Court, in a 5-4 decision, ruled that local governments can seize homes for private development.

Our new law restores the level of protection that existed prior to the Supreme Court's ruling in June. That ruling is a reminder of the awesome power that activist judges have, and unfortunately use, to rewrite our Constitution. Our new law counteracts that ruling. **I am proud that Alabama was the first state in the nation to respond to this misguided decision.**

As a result, Alabamians can rest assured that their homes, their farms, their businesses, and other private property are safe from being seized by government for a shopping center, a factory, an office building, or a new residential development. With this new landmark law on the books, Alabamians have the strongest property protections in America. However, I believe we must do more to ensure that it will take a vote of the people to remove these necessary protections.

I will once again ask the legislature to enshrine these protections in our Alabama Constitution.

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Tighten Gambling Loopholes

I am fundamentally opposed to gambling, and I always will be. And Alabamians have said time and time again that they are also opposed to the expansion of gambling in our state.

In spite of that public opposition, state gambling laws are full of loopholes that allow some casino-style operations to pop up around the state. It is not just happening in the metropolitan centers of the state. I recently read that five gambling houses with “sweepstakes” machines have opened their doors in Coosa County, one of Alabama’s most rural counties.

The so-called “sweepstakes” machines are nothing more than dressed-up slot machines. In his ruling on an operation in Jefferson County, Circuit Judge Scott Vowell said, "The operation looks and sounds like a gambling casino, but under Alabama law, it is not."

That is why, earlier this year, I called on the Legislature to pass a bill that eliminates confusion over the definition of gambling and adds severe penalties to those who operate illegal gambling operations. The legislation that Attorney General Troy King and I proposed would have charged illegal casinos up to \$100,000 per illegal device for everyday they were in use. Unfortunately, the leadership in the Legislature set this bill up for failure.

It is time that we rid Alabama of these patently illegal operations that are threatening every single area of our state.

We will pass legislation that clearly defines gambling, sets tough penalties for illegal casinos, and effectively stops the virulent spread of casino-style gaming in Alabama.

Expand Faith-Based Services

Throughout our history, people of faith in Alabama have been an integral part of every aspect of our society. When people in a community hurt, the people of faith are right there to help them through it. When disasters have struck our towns, the church has always been there to help people rebuild their property and their lives. When a child is struggling to graduate, our faith-based groups are there to tutor and mentor. When a prisoner goes back into society, our faith-based groups are there to make sure they do not return to prison. When a senior is hungry, our faith-based groups are there to bring them meals. Thousands of Alabamians in need are already receiving a helping hand from faith-based and community groups throughout the state. These groups are vital partners in caring for those with the greatest needs because government can’t do it alone.

Today, we have taken a concept that has worked remarkably well through the decades, and expanded it. All of these programs are growing because **we created one of the first dedicated state Offices of Faith-Based and Community Initiatives.** The innovative structure of this office has received national attention and been replicated in other states. This office has worked with the faith-based community throughout our administration to make sure these organizations were given an equal opportunity to compete for government funding for their programs. By leveling the playing field, we have ensured that

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compassionate and capable faith-based organizations are not excluded from the process just because of their beliefs.

One of the more impressive successes of our Office of Faith-Based and Community Initiatives is its involvement in relief for Hurricane Katrina. This office coordinated more than \$5 million in donations to the state of Alabama for hurricane relief and recovery. In addition, they also helped bring more than 4,000 volunteers to assist in relief and recovery efforts. Churches from all over the country came to care for our residents on the coast. Men and women cooked meals, distributed water and ice, and even helped residents rebuild their homes. It is truly remarkable how people of faith can bring hope to a disaster-stricken community.

Faith-based groups in Alabama are some of the most dedicated and effective that can be found anywhere. We must always ensure that they have the ability to do what they do best—care for our people and transform lives.

We will continue to expand faith-based groups' ability to work with state and federal agencies to care for and support Alabamians who are in need.

We will seek to encourage them to work in the following areas:

- After-school tutorial programs, GED and job training targeting drop-outs and other out-of-school youth.
- Child care programs for working mothers.
- Foster care programs.
- Day Care for families with seniors.
- Nutrition programs for seniors.
- Substance abuse treatment.
- Integrating faith-based organizations into disaster preparedness and response by developing a statewide Disaster Interfaith Network. The faith-based groups will partner with both professional and volunteer disaster preparedness and response teams in each county.
- Expanding and integrating our faith community into a comprehensive prisoner reentry program to assist individuals reentering society and thereby greatly reducing the chance of recidivism.

Each year, literally billions of dollars of grants are distributed to faith and community-based organizations across this country. Over the next four years, we are going to make sure that Alabama's faith-based and community non-profit organizations are competitive in the grant process by:

- Increasing awareness of public and private funding opportunities.
- Increasing capacity of faith and community-based organizations to provide services and compete for funding through training, technical assistance, education and outreach.
- Identifying and eliminating barriers that prevent full participation of faith and community-based organizations in the state and federal grant processes.
- Ensuring faith-based organizations interested in utilizing government funds understand both their right to compete for funding as well as the compliance requirements.

Faith and community-based organizations play a vital role in the welfare of all our citizens. We will do everything we can to support and encourage their efforts.